



April 05, 2022

The Honorable Board of Commissioners  
Los Angeles County  
Development Authority  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Commissioners:

**ASSIGNMENT OF MANAGEMENT AGREEMENT TO THE LOS ANGELES COUNTY  
DEVELOPMENT AUTHORITY FOR ITS HEADQUARTERS BUILDING  
(DISTRICT 1) (3 VOTE)**

**SUBJECT**

This letter recommends approval of the assignment of the of the Management Agreement (Agreement) with Cushman & Wakefield U.S., Inc. (Cushman) to the Los Angeles County Development Authority (LACDA) for the management of its headquarters at 700 West Main Street in Alhambra for a not to exceed \$400,000 through July 31, 2022.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Executive Director, or his designee, to execute an amendment to the Agreement with Cushman, to assign to the LACDA and to fund the Agreement through July 31, 2022 with up to \$400,000 included in the LACDA's approved Fiscal Year 2021-2022 budget and proposed Fiscal Year 2022-2023 budget.
2. Authorize the Executive Director to execute amendments to extend the Agreement up to one additional month, using up to \$100,000 to be included for this purpose in the LACDA's proposed Fiscal Year 2022-2023 budget.
3. Find that approval of the above described herein, is not subject to the provisions of the California Environmental Quality Act (CEQA), because it will not have the potential for causing a significant effect on the environment.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this letter is to authorize the LACDA to be assigned the Management Agreement (Agreement) between Cushman and Community Development Properties Los Angeles County, Inc. (CDPLAC), a non-profit entity created in 2011 to issue bonds for the development and construction of the LACDA's headquarters at 700 West Main Street in Alhambra. The LACDA will be assigned the Agreement through July 31, 2022, for a not to exceed \$400,000. The LACDA is also requesting authority to execute amendments to extend the Agreement up to one additional month to August 31, 2022 if needed, at a not to exceed amount of \$100,000. The LACDA will issue a formal solicitation for future property management services and will return to the Board with a recommended proposer.

## **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The cost of the remaining term of the Agreement through July 31, 2022 will not exceed \$400,000, to be paid using funds included in the LACDA's approved Fiscal Year 2021-2022 budget and proposed Fiscal Year 2022-2023 budget. If necessary, the Agreement may be extended up to one additional month to August 31, 2022 at a cost not to exceed \$100,000, using the same source of funds.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In 2012, the LACDA moved its headquarters to a newly constructed office building at 700 West Main Street in Alhambra. The LACDA rents the building from CDPLAC, a non-profit entity created in 2011 to issue bonds for the development and construction of the headquarters. CDPLAC contracts with Cushman for property management services of the LACDA headquarters.

On March 15, 2022, the Board authorized the issuance and sale of LACDA General Revenue Refunding Bonds, 2022 Series on a tax-exempt basis with a not to exceed par amount of \$33 million to refinance the bonds issued by CDPLAC in 2011. This refinancing will allow the LACDA to take ownership of the headquarters building, perform upgrades and renovations, and reduce ongoing costs.

CPDLAC and Cushman have agreed to assign the Agreement from CDPLAC to the LACDA until the LACDA issues a formal solicitation for ongoing property management services of its headquarters. The assignment will take effect on April 7, 2022, which is the anticipated date for the LACDA to terminate its lease with CDPLAC through July 31, 2022. The LACDA will return to the Board for approval of a contract upon completion of the procurement process. If necessary, the Agreement may be extended up to one additional month to August 31, 2022 at a cost not to exceed \$100,000.

The Amendment is attached in substantially final form. It has been approved as to form by County Counsel, and will take effect on April 7, 2022, concurrently with the LACDA's termination of its lease with CDPLAC.

During the remaining term of the Agreement, Cushman will continue to provide property management services for the LACDA's headquarters, including building and landscape maintenance, janitorial, security, and rubbish removal.

## **ENVIRONMENTAL DOCUMENTATION**

This assignment of the Agreement for the LACDA headquarters building is exempt from the

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4/5/2022

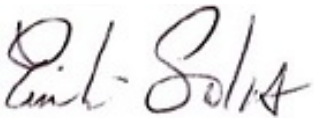
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provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378(b) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The assignment of services will allow for the continued operation and maintenance of the LACDA's headquarters building.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Emilio Salas". The signature is stylized with a large, looped "E" and "S".

Emilio Salas

Executive Director

ES:MF:NT

Enclosures

**FOURTH AMENDMENT  
TO MANAGEMENT AGREEMENT**

This FOURTH AMENDMENT TO MANAGEMENT AGREEMENT (“**Amendment**”) is made as of March \_\_\_\_\_, 2022, by COMMUNITY DEVELOPMENT PROPERTIES LOS ANGELES COUNTY, INC., a California nonprofit corporation (“**Owner**”), CUSHMAN & WAKEFIELD U.S., INC., a Missouri corporation (“**Manager**”) and LOS ANGELES COUNTY DEVELOPMENT AUTHORITY (LACDA) (“**Assignee**”). (Assignee together with Owner and Manager, collectively the “Parties” and each a “Party”).

**RECITALS**

A. Manager’s predecessor-in-interest and Owner entered into a certain Management Agreement dated June 29, 2012 (“**Original Agreement**”), as amended by that certain First Amendment to Management Agreement dated August, 2016 (“**First Amendment**”), and by that certain Second Amendment to Management Agreement dated February 6, 2018 (“**Second Amendment**”), and by that certain Third Amendment to Management Agreement dated January 1, 2021 (“**Third Amendment**”), with respect to real property commonly known as Alhambra Headquarters and located at 700 West Main Street, Alhambra, California (the “**Property**”). The Original Agreement, First Amendment, Second Amendment and Third Amendment shall be collectively referred to herein as the “**Agreement**”.

B. Owner will be transferring ownership of the Property to Assignee, the closing of which is estimated to occur on April 21, 2022.

C. Owner desires to assign the Agreement to Assignee as of the date that Assignee becomes the owner of the Property, which is estimated to occur on April 21, 2022. Assignee desires to assume all of Owner’s interest in the Agreement, subject to the terms and conditions set forth herein. Manager consents to such assignment, acceptance and assumption.

D. The parties desire to (i) extend the term of the Agreement and (ii) reflect the assignment of the Agreement from Owner to Assignee.

E. All capitalized terms used herein but not defined shall have the meanings given to such terms in the Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, and conditions contained in this Amendment, the parties agree as follows:

1. **Assignment and Consent.** The parties agree that Owner hereby assigns, transfers and sets over unto Assignee all of Owner’s right, title and interest in the Agreement from and after the date that Assignee has closed on the acquisition of the Property from Owner (“**Closing Date**”), which is estimated to occur on April 21, 2022 (the Closing Date shall also be referred to herein as the “**Effective Date**”). Notwithstanding the foregoing, this Amendment shall become null and void if the Closing Date has not occurred by May 15, 2022. Assignee hereby accepts the foregoing assignment of all of Owner’s right, title and interest in, to and under the Agreement and agrees to pay, perform and discharge, as and when due, all of the duties and obligations of Owner under the Agreement which arise from and after the Effective Date, subject to the terms and conditions hereof. Each of Owner and Manager represents and warrants to Assignee that the Agreement is in full force and effect, and that Owner is not in default thereunder. Manager hereby consents to such assignment and assumption of the Agreement. Neither this assignment, nor the consent of Manager, shall release Owner from any liability, or from any of Owner’s obligations or duties under the Agreement, arising on or before the Effective Date. Owner shall have no liability, obligation or duty under the Agreement arising after the Effective Date.

2. **Continued Term.** Manager and Assignee agree that the term of the Agreement shall be extended up through and including July 31, 2022 (“**New Expiration Date**”). At the end of the New Expiration Date, this Agreement shall automatically be renewed and extended on a month-to-month basis without further written agreement unless either party provides written notice to the other that the Agreement shall terminate at the expiration of thirty (30) days; provided, however, in no event shall the Agreement be automatically renewed or extended beyond August 31, 2022 without a written amendment executed by Manager and Assignee.

3. Notices. Manager's address for notices shall be updated as follows:

If to Manager: Cushman & Wakefield U.S., Inc.  
900 Wilshire Boulevard, Suite 2400  
Los Angeles, CA 90017  
Attention: Asset Services, City Lead

With a copy to: Cushman & Wakefield U.S., Inc.  
575 Maryville Centre Drive, Suite 500  
St. Louis, MO 63141  
Attention: Marla Maloney

And to: Cushman & Wakefield U.S., Inc.  
225 W. Wacker Drive, Suite 3000  
Chicago, IL 60606  
Attention: Legal Department

4. Construction. Except as modified in this Amendment, the terms and provisions of the Agreement are hereby ratified and confirmed and shall remain in full force and effect. Should any inconsistency arise between this Amendment and the Agreement as to the specific matter(s) which is/are the subject of this Amendment, the terms and conditions of this Amendment shall control. This Amendment shall be construed to be a part of the Agreement and shall be deemed incorporated in the Agreement by this reference.

5. Miscellaneous. This Amendment may be signed and delivered (including by facsimile, "pdf" or other electronic transmission) in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Amendment. The individuals signing this Amendment represent that they are authorized signatories.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

**"OWNER"**

COMMUNITY DEVELOPMENT PROPERTIES  
LOS ANGELES COUNTY, INC.,  
a California nonprofit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**"ASSIGNEE"**

LOS ANGELES COUNTY DEVELOPMENT  
AUTHORITY

By: \_\_\_\_\_

Name: Emilio Salas

Title: Executive Director

**"MANAGER"**

CUSHMAN & WAKEFIELD U.S., INC.,  
a Missouri corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_